



Roundtable Discussion Held with Mr. Sean Kidney, CEO of the Climate Bonds Initiative (Climate Bonds)

On Thursday, August 8, 2024, we invited Mr. Sean Kidney, CEO of the Climate Bonds Initiative to a roundtable discussion, with the GX Acceleration Agency.

Mr. Kidney shared his thoughts, including the message: “Japan's GX (Green Transformation) policy is extremely important for global decarbonization, and I am pleased that the GX Acceleration Agency, a public agency dedicated to driving GX, has been established”, expressing his expectation for the future.

The GX Acceleration Agency actively conducts research on trends in GX-related policies, corporate activities, technologies, and finance, both domestically and internationally. It also provides a learning platform for companies from different industries to learn from each other, collaborate and share knowledge on GX-related policies. By way of this activity, The GX Acceleration Agency organizes “GX Future Academy” initiative, with the aim of establishing ourselves as a “hub” for GX acceleration. As part of this initiative, we invited Mr. Sean Kidney, CEO of the Climate Bonds Initiative, to participate in a roundtable discussion. We would like to share the overview and his key remarks.

The Climate Bonds Initiative is an international NGO that aims to mobilize global capital to address climate change issues. The Climate Bonds Initiative has significant influence in the field of sustainable finance, collaborating with global investors and financial institutions as “Climate Bond Partners” to develop standards and taxonomies for climate bonds. The Climate Bonds Initiative also advocates policies and regulatory measures that expedite the investment flow into environmental initiatives, such as creation of green assets like green bonds.

In February 2024, the inaugural issuance of Japan Climate Transition Bonds by the Government of Japan was certified under “The Climate Bonds Certification” aligned with “The Climate Bonds Standard,” which serves as a screening tool for investors and policy authorities when making decarbonization investment decision. The Climate Bonds Certification assures investors that the use of the proceeds aligns with environmental goals and that Japan’s Climate Transition Bonds becomes one of the best practices the global transition finance arena.



Overview of the Roundtable with Sean Kidney, CEO of Climate Bonds Initiative

[Date and Time]

Tuesday, August 8, 2024, 16:00 - 17:00

[Location]

GX Acceleration Agency Office and online

[Participants]

Speaker: Sean Kidney, CEO of Climate Bonds Initiative

Moderator: Hideki Takada, Director, GX Acceleration Agency

Participants: Staff from GX Acceleration Agency, Financial Services Agency and Ministry of the Environment

[Discussion Topic]

Trends in the Flow of Funds surrounding climate change issues and the expectation for Japan's GX Policy

[Key Remarks by Mr. Sean Kidney]

Japan's GX policy is extremely important for the decarbonization of the world, and I am very pleased that the GX Acceleration Agency has been established as a public institution specializing in accelerating green transformation. It is truly a significant step toward realizing my dream.

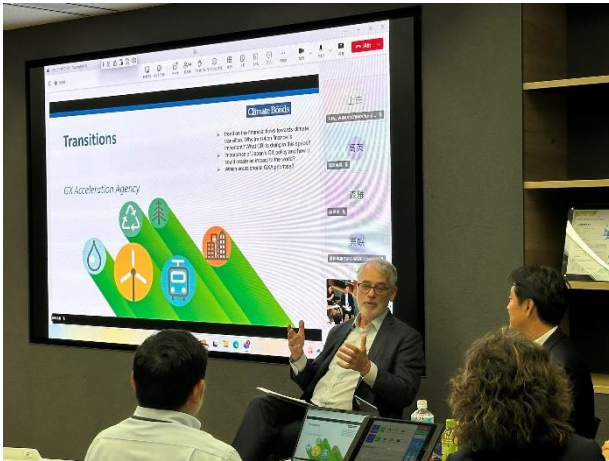
Investors' awareness has changed positively, with global financial institutions entering into various collaboration agreements toward decarbonization, and the amount of sustainable bonds (GSS bonds, Green, Social and Sustainability Bonds, etc.) issued has increased 100 times compared to 2014. In particular, the issuance of green bonds has significantly increased.

In this context, the Japan Climate Transition Bond, the world's first sovereign transition bond issued by the Japanese government, has been lauded as "opening a new chapter in the world of sustainable bonds." For the moment, international investors are not very familiar with transition bonds. However, if the Japanese government issues Climate Transition Bonds frequently, the concept of transition finance will become well known among international investors.

Decarbonization is challenging, with numerous obstacles and difficulties to overcome. Japan's GX policy is not perfect, but no country's policy is perfect. By further



strengthening its efforts, Japan could become a global leader in this field and a green international financial center. The GX Acceleration Agency faces great challenges as well as opportunities going forward to accomplish this crucial mission.



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